

## Message Text

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51

ACTION SCI-06

INFO OCT-01 ARA-16 EUR-25 EA-11 IO-14 ISO-00 PM-07 ACDA-19

CIAE-00 INR-11 L-03 NSAE-00 NSC-07 RSC-01 FEAE-00

PA-04 PRS-01 USIA-15 EB-11 MC-02 COME-00 DRC-01 /155 W

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R 151328Z AUG 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4424

AMCONSUL MUNICH

INFO AEC GERMANTOWN

AMEMBASSY BUENOS AIRES

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY MEXICO CITY

AMEMBASSY OTTAWA

AMEMBASSY SEOUL

USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

UNCLAS BONN 12892

E.O. 11652: N/A

TAGS: TECH, ENRG, GW

SUBJECT: NUCLEAR POWER - SHUTDOWN OF UNECONOMICAL  
NATURAL URANIUM POWER PLANT

1. GERMAN NEWSPAPERS NOTED ON AUGUST 8 AND 9 A STATEMENT  
BY A BAVARIAN ECONOMICS MINISTRY SPOKESMAN THAT THE FRG  
MINISTRY FOR RESEARCH AND TECHNOLOGY AND SIEMENS HAD  
AGREED TO SHUT DOWN "PERMANENTLY" THE PILOT NUCLEAR  
POWER PLANT WITH A REACTOR FUELED BY NATURAL URANIUM  
MODERATED BY HEAVY WATER AND COOLED BY CARBON DIOXIDE)  
LOCATED AT NIEDERAICHBACH/ISAR AS OF JULY 31, 1974. THE  
BAVARIAN MINISTRIES OF ECONOMICS AND ENVIRONMENTAL  
PROTECTION EMPHASIZED, HOWEVER, THAT ECONOMIC  
INVIABILITY AND NOT TECHNOLOGICAL OR ENVIRONMENTAL  
PROBLEMS HAD PROMPTED THE SHUTDOWN. CURRENT  
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NEGOTIATIONS BETWEEN THE RESEARCH MINISTRY AND SIEMENS

SEEM TO ENVISAGE A SHUTDOWN RATHER THAN A COMPLETE DISMANTLING OF THE PILOT STATION.

2. THE CONSTRUCTION OF THE REACTOR WAS BEGUN BY SIEMENS UNDER CONTRACT TO THE GESELLSCHAFT FUER KERNFORSCHUNG-VERSUCHSANLAGEN (KARLSRUHE) AND KERNKRAFTWERK NIEDERAICHBACH GMBH, WHICH IS A SUBSIDIARY OF BAYERNWERK AND THE OPERATOR OF THE PLANT. THE TOTAL COST OF THE PLANT WAS DM 230 MILLION WITH DM 130 MILLION CONTRIBUTED BY THE FEDERAL GOVERNMENT, DM 10 MILLION BY THE STATE OF BAVARIA, AND DM 90 MILLION BY SIEMENS.

3. SINCE THE REACTOR FIRST REACHED CRITICALITY IN DECEMBER 1972, IT HAS OPERATED AT ONLY A FRACTION OF ITS INSTALLED CAPACITY OF 100 MW (ELECTRIC). ITS HIGHEST OUTPUT WAS 15 MW (ELECTRIC) REACHED IN OCTOBER, 1973. OPERATIONAL LOSSES OF THE PLANT, WHICH EMPLOYS A STAFF OF 130 PEOPLE, HAVE RANGED BETWEEN DM 5 MILLION AND DM 8.5 MILLION ANNUALLY SINCE THE FIRST TRIAL RUNS BEGAN IN 1969. THESE LOSSES WERE SHARED EQUALLY BY THE RESEARCH MINISTRY AND THE BAVARIAN STATE GOVERNMENT.

4. THE FAILURE OF THE NIEDERAICHBACH PILOT PLANT, ACCORDING TO THE PRESS REPORTS, HAS SERVED TO DISCOURAGE THE PLANS OF SIEMENS, WHICH HAS SPENT AROUND DM 40 MILLION ON RESEARCH AND DEVELOPMENT FOR THIS REACTOR LINE, TO MARKET A REACTOR SUITED FOR EXPORT TO DEVELOPING COUNTRIES HAVING THEIR OWN URANIUM DEPOSITS. (SUCH NATIONS WOULD HAVE FOUND IT ADVANTAGEOUS TO INSTALL REACTORS FUELED BY NATURAL URANIUM, MAKING THEM INDEPENDENT OF COSTLY URANIUM-ENRICHMENT SERVICES.) THE RECENT SUCCESS SCORED BY SIEMENS' CANADIAN COMPETITOR IN THE SAME REACTOR LINE IN THE UNITED KINGDOM AND ARGENTINA HAVE ALSO SERVED TO DISCOURAGE SIEMENS' HOPES OF DEVELOPING THIS REACTOR TYPE FOR EXPORT, AS HAVE THE PENDING NEGOTIATIONS BETWEEN CANADA AND SOUTH KOREA, DENMARK AND MEXICO, RESPECTIVELY, WHICH REPORTEDLY ALSO LOOK PROMISING FOR THE CANADIAN FIRM. HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR ENERGY, PRESS COMMENTS, NUCLEAR POWER PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740224-0959  
**From:** BONN  
**Handling Restrictions:** n/a  
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**Line Count:** 99  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SCI  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 JUN 2002 by reddocgw>; APPROVED <24 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NUCLEAR POWER - SHUTDOWN OF UNECONOMICAL NATURAL URANIUM POWER PLANT  
**TAGS:** TECH, ENRG, GE  
**To:** STATE MUNICH  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005